

A study on Customer Perception toward E-banking with respect to ICICI Bank with special Reference to Chennai city

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ABSTRACT

In this research study 200 respondents from ICICI Banks were taken. After analyzing the questionnaire results, we conclude that although banks continue to offer increasingly innovative services, many customers remain unaware of them — and the actual usage of these services is yet another issue. Today Banks are using huge amount of funds to provide differentiated service to their customers from their competitors like by using new software or by providing new innovative services like internet banking, mobile banking and many others but still they are focusing only to provide the innovative services to the customers not focusing too aware them regarding these services and also there is a need to aware the customers about the use and benefits to the services provided by the bank, because it's the way to get competitive advantages as per as we all know that today most of the organizations are focusing on the promotion element of marketing mix, which is providing financial as well as non-financial benefits like Brand image, so these Banks are not focusing over this element. Majority of the respondents in Bank have saving account with banks. The facility that was available to most of the people at these Banks was that of ATM/Debit. The most important channel that was customer most regarding the innovative services is family and friends.

Keywords: E- Banking, Mobile Banking , ATM, Debit Cards & Credit Cards.

INTRODUCTION

CUSTOMER SATISFACTION IN THE BANKING INDUSTRY

Each bank in today's competitive industry is striving not only to survive but also to grow and succeed. Hence, in order to succeed in their business, customer satisfaction is very much essential. Through customer satisfaction an organization can win the market and capture the market share and sustain competitive advantage.

The specific problem associated with this research study is to identify whether the public or private bank(s) have a higher level of customer satisfaction and which factor is contributing more in determining customer satisfaction of banks. Further which category of customer group is contributing more in the customer satisfaction. According to this research three major factors : Relationship marketing, Adoption of Sophisticated Information Systems and the Benefit schemes were taken as the major variables to determine the Customer Satisfaction of banks.

INDIAN BANKING : THE CHANGING CURRENT SCENARIO

The financial sector reforms launched since 1991-1992 qualitatively revolutionized Indian Banking. It was a period of consolidation in the industry. Banking was perhaps one sector that was more deeply touched by liberalization process than any other. The thrust of reforms was to make Indian banking global in character. With this in view, the Indian banking system was rapidly being reoriented to be in tune with international norms and practices. The Banking sector in India has, in fact, emerged quite creditably in the last 14 years or

so, especially after the implementation of the Narsimham Committee Report ushering in financial sector reforms. Financial sector reforms have brought about significant improvement in the strength, resilience and competitiveness of the banking system. At the outset, there was the prereform banking phase characterized by unprecedented growth and the pursuit of mass banking. This was followed by the era of reforms, which imparted an altogether different dimension to the nuances of banking through what is better known as first generation reforms. Currently, Banking systems.

REVIEW LITERATURE

According to Bluel (2006) another study by Cornell Universities center for hospitality, which examined the habits of several hundred guests at two typical Midwest hotels, the study found among other things that while 36% of business/leisure travelers were satisfied with their hotels and even professed loyalty to it-they weren't sure they'd stay at the same place on a subsequent visit.

The researchers also found that satisfied guests who described themselves as "not likely to switch" emphasized the importance of hotel staff attitudes. The article cited this as "a finding that underscores earlier studies that have highlighted the importance of the 'people factor' in services."

(Garbarino and Johnson (1999)) used the structural equation analysis, analyzed the relationships of satisfaction, trust and commitment to component satisfaction attitudes and future intentions for the customers of a New York Off-Broadway repertory theatre company. Their findings showed the low relational customers overall satisfaction is the primary mediating construct between the component attitudes and future intentions. For the high relational customers. Trust and commitment rather than satisfaction are the mediators between component attitudes and future intentions.

Routray Topic: "Wireless ATM: A Technological Framework to M-Banking Date: August 19, 2008. The study describes that are becoming enablers for organizations to conduct business more effectively and efficiently. One of the most effective applications of modern technology is mobile banking (m-banking). For any application to gain widespread recognition, technological advancements play a vital role. To ensure the success of m-banking applications, effective bandwidth management is crucial. The increased flexibility and mobility offered by wireless ATM (WATM) networks, along with their bandwidth-on-demand functionality, are motivating a large number of carriers to adopt and deploy WATM networks. However, there are several challenges that need to be addressed for successful implementation. These include cost-effective network planning, efficient location management, and seamless handover management.

OBJECTIVES OF THE STUDY

- To study about the factors that affect the Customer perception towards e-banking of ICICI bank in Chennai.
- To know about the current and future prospects of E-banking to the customers of ICICI Bank.
- To find out the major problems faced by the customers while using e-banking services.

NATURE

The methodology adopted to achieve the project objective involved descriptive research method. The information for fulfilling the objective of study was collected from various primary and secondary sources.

TYPE OF RESEARCH

This study is Descriptive in nature. It helps in breaking a vague problem into smaller and precise problems and emphasizes on discovering of new ideas and insights.

RESEARCH DESIGN

Research design constitutes the blue print for the collection, measurement and analysis of data. The present study seeks to identify the extent of preferences of E-Banking over traditional banking around service class. The research design is descriptive in nature. The research has been conducted on customers of ICICI bank in Chennai. For the selection of the sample convenient sampling method was adopted and an attempt has been made to include all the age groups and gender of every class.

RESEARCH INSTRUMENT

The instrument used for gathering data was questionnaire. To get future insight into the research problem, interview regarding their buying practices too was made. This was done to cross-check the authenticity of the data provided, supplement the primary data, and facilitate the process of drawing inferences. Therefore, secondary data was also collected.

SAMPLE DESIGN AND SIZE

In this research project Descriptive research design is used judgment and Convenience sampling method will be used to get the information about online banking. This method is used because we are interested in exploring fender age, or occupation disparities in terms of online banking in the population. For conducting this research a structured questionnaire is prepared and sample of 200 customers is taken from ICICI bank.

SAMPLING SIZE

It indicate the numbers of people to be surveyed. Though large sample give more reliable results than small sample but due to constraint of time and money the sample size was restricted to 200 respondents. The respondents belong to different income group and profession.

SAMPLING UNIT

It define the target population that will be sampled i.e it answer who is to be surveyed. In this study, the sampling unit is the people of ICICI bank, Chennai. Tamilnadu.

TOOLS AND TECHNIQUES OF ANALYSIS

The data so collected will be analyzed through the application of statistical techniques, such as bar graphs and pie charts.

DATA COLLECTION

Keeping in view the nature of requirements of the study to collect all the relevant information regarding the extent of awareness of the customers using E-banking facilities offered by ICICI bank, direct personal interview method with structured questionnaire was adopted for the collection of primary data. Secondary data has been collected through the various internet sites by surfing of Internet and from the records available with the bank.

SOURCE OF DATA

There are two different methods of sources of data the study is based on primary & Secondary data. Primary data was collected from Interview method such as Formal Information and Semi structured Interview. The entire Process of interview was studied by Preparatory thinking, developing report with the respondent, carrying the interview forward, recording the interview and closing the interview. Interview method will be used to collect the data from 80 customers to know the behavior of Customer secondary data from the records of various sources will be collected secondary data such as 1) Documentary sources & 2) Field sources. Documentary sources include material already collected whether published or unpublished e.g. like Books, Report of Surveys, Memories, Accounts of travels Historical Accounts, official in Published Data; other Unpublished Record. Field resources may include living Persons, scholars, scientists, research workers, leaders people who have worked with the social group or have studied the problem. These persons may be consulted to find their opinions, experiences and ideas about the research problem. In this study mathematical tools was used. In mathematical suitable statistical method will be applied i.e. partial equilibrium methods tables, graphics, simple bar diagram, multiple bar diagram, Pie diagram applied to analyses the data.

PRIMARY DATA

Questionnaire was used to collect primary data from respondents. The questionnaire was structured type and contained questions relating to different dimension of e-banking preference among service class such as level of usage, factors influencing the usage of e-banking services, benefit accruing to the users of e-banking services, problem encountered. An attempt was also made to elicit reasons for its non-usage. The questions included in the questionnaire were open ended, dichotomous and offering multiple choices.

SECONDARY DATA

- ❖ Article on E-Banking taken from journals, magazines published from time to time.
- ❖ Through Internet.

NEED OF THE STUDY

- ❖ To determining growth direction of online banking service.
- ❖ Promoting E-banking services in banking industry.
- ❖ Customer perception will be taken into consideration about the internet banking.

HYPOTHESIS EASE OF USE

- Ho: Ease of use does not influence the use of E-Banking services
- H1: Ease of use does influence the use of E-banking services.

DIRECT ACCESS

Ho: Direct Access does not influence the use of E-banking services.

H1: Direct Access does influence the use of E-Banking services.

FRIENDS/RELATIVE

Ho: Friend/Relative do not influence the use of E-banking services. H1: Friends/Relatives do influence the use of E-banking services.

SCOPE OF THE STUDY

Area is restricted to only Chennai because due to the time constraint and not able to visit all the branches in other cities or states.

- All the classes of the customers were taken into consideration.
- This study was covered E-Banking service sector.
- This is realistic sources directly collected from the customers of Bank.

LIMITATION OF STUDY

Every research is conducted under some constraints and this research is not an exception. Limitation of this study is as follows:

- As a research is based on a sample therefore the findings may not reveal the factual information about the research problem, though an utmost care will be taken to select a truly representative sample.
- There may be some bias in the responses of the respondents which cannot be ruled out fully.
- Sudden change in the e-banking practices during the course of research can affect the results.
- The study is limited to areas of Chennai.
- The sample size of only 200 was taken from the large population for the purpose of study, so there can be difference between results of sample from total population.
- People were reluctant to go in to details because of their busy schedules.
- Merely asking questions and recording answer may not always elicit the actual information sought.
- Due to continuous change in environment what is relevant today may be irrelevant tomorrow.

DATA ANALYSIS & INTERPRETATION

This chapter will present data that has been collected through in-depth interviews with four customers, who are experienced users of Internet banking. The chapter will also present results from a small quantitative survey comprising of 200 Internet banking users. At first qualitative data will be presented according to the research questions and the variables identified in the frame of reference along with detailed descriptions to help the reader get a detailed idea about every issues raised in the interview. At the end quantitative data gathered through the survey will be presented.

TABLE AND ANALYSIS

TABLE 1 FAMILY INCOME AND SATISFACTION LEVEL OF RESPONDENTS REGARDING E-BANKING.

Income	Yes	No	Total
Below 100000	23	3	26
100001 to 2 00000	42	6	48
300001 to 2 00000	85	0	85
Above 3000000	39	2	41
Total	189	11	200

Source: Primary Data

From the above table it is clear that 189 (94.5%) respondents are aware about E-Banking. Only 11(5.5%) respondents not aware about E-banking services.

ANOVA (One way classification) test has been applied to test whether the significant variations exists between the views of respondents belonging to different family income group. Table given below shows this relationship:

TABLE 2 SHOWING THE RELATIONSHIP

		Degree of Freedom	Sum of Squares	Mean Square	F	Sig.
E- Banking is Time Saving & cost Effective	Between Groups	3	377.2	125.73	0.9370	3.24
	With in Groups	16	2146.8	134.175		
	Total	19	2524			
E-Banking is Easy to Use	Between Groups	3	377.2	125.73	1.138	3.24
	With in Groups	16	1766.8	110.425		
	Total	19	2144			
E-Banking Provides safety & Security	Between Groups	3	377.2	125.73	1.0787	3.24
	With in Groups	16	1864.8	116.55		
	Total	19	2242			
E-Banking Provides Accurate and Up-to- Date information	Between Groups	3	1961.96	653.98	2.087	3.86
	With in Groups	9	2820.04	313.337		
	Total	11	4782			
E-Banking is 24 Hours Available	Between Groups	3	377.2	125.73	1.0176	3.24
	With in Groups	16	1976.8	123.55		
	Total	19	2354			

Source: Primary Data

From the table it is clear that for all the statements null hypothesis is accepted as significance level is greater than 0.05. This means that there is no significant relation between family income group and perception regarding E-Banking.

FINDINGS

- 94.5% people are aware about E-banking Services.
- 60.31% people are using the E-Banking services frequently. Others are using in a very infrequent manner.
- 71% respondents said that the E-Banking is time saving process.
- 64.5% respondents said that E-Banking is easy to use.
- 73% respondents said E-Banking Provides safety and security.
- 88.5% respondents said E-Banking provides up-to-date information.
- 63.5% respondents said that E-banking is 24 hours available.
- Frequently used E-Banking services are ATM, Bill payments & getting the bank statements.
- Consumers are using various services provided by their respective banks and the highest used services are the ATM & Bill Payment across various income groups followed by viewing of the account history.

CONCLUSION

Here it can be concluded that around 70 % of people have positively using the e banking services. Still people of these areas are not using all the E-banking services frequently because they less knowledge about computer, internet and mobile phones; so they feel hesitation in using E-banking services. So banks should improve their promotional and communication strategies to make aware the customers regarding IT services to improve the level of usage of E- Banking with high level of satisfaction.

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